



**BY-LAW PROVISIONS AMENDED BY THE SHAREHOLDERS AT THE GENERAL SHAREHOLDERS' MEETING HELD ON MARCH 20, 2009**

Previous text	Current text
<b>Article 23. Right to Be Represented at the Meeting</b>	<b>Article 23. Right to Be Represented at the Meeting</b>
1. All shareholders having the right to attend may be represented at the General Shareholders' Meeting by proxy through another person, even though such person is not a shareholder, if the requirements and formalities established in these By-Laws, the General Shareholders' Meeting and the Law are met.	1. All shareholders having the right to attend may be represented at the General Shareholders' Meeting by proxy through another person, even though such person is not a shareholder, if the requirements and formalities established in these By-Laws, the General Shareholders' Meeting and the Law are met.
2. Proxies shall be given in writing or by postal or electronic correspondence, in which case the provisions of Article Twenty-Eight of the By-Laws for the issuance of votes shall apply to the extent not incompatible with the nature of the proxy.	2. Proxies shall be given in writing or by postal or electronic correspondence, in which case the provisions of Article Twenty-Eight of the By-Laws for the issuance of votes shall apply to the extent not incompatible with the nature of the proxy.
3. The Chairman of and the Secretary for the General Shareholders' Meeting shall have the widest powers to recognize the validity of a document or media evidencing representation by proxy; only those which lack the absolute minimum requirements may be deemed invalid, and only provided that the lack thereof cannot be cured.	3. The Chairman of and the Secretary for the General Shareholders' Meeting shall have the widest powers to recognize the validity of a document or media evidencing representation by proxy; <del>only those which lack the absolute minimum requirements may be deemed invalid, and only provided that the lack thereof cannot be cured.</del>
4. A proxy is always revocable. Personal attendance at the General Shareholders' Meeting of the shareholder granting the proxy shall have the effect of revoking the proxy.	4. A proxy is always revocable. <del>Personal a</del> Attendance at the General Shareholders' Meeting of the shareholder granting the proxy, <u>whether in person or due to having cast a vote from a distance</u> , shall have the effect of revoking the proxy, <u>regardless of the date thereof</u> .
<b>Article 28. Casting of Votes from a Distance</b>	<b>Article 28. Casting of Votes from a Distance</b>
1. Shareholders may cast their vote regarding proposals relating to the items included in the agenda by mail or by electronic communication.	1. Shareholders may cast their vote regarding proposals relating to the items included in the agenda by mail or by electronic communication. <u>In both cases, they shall be deemed present for purposes of the establishment of a quorum at the General Shareholders' Meeting.</u>
2. Mail votes shall be cast by sending to the Company a document in which such vote is recorded, accompanied by the attendance card issued by the entity or entities in charge of the book-entry registry.	2. <u>In order to vote by mail, shareholders must send Mail votes shall be cast by sending to the Company a document in which such vote is recorded, accompanied by the attendance, proxy-granting and voting card, duly executed and signed, issued in their favor by the entity or entities in charge of the book-entry registry.</u>
3. Votes by electronic communication shall be cast using a recognized electronic signature or other type of guarantee that the Board of Directors deems best	3. Votes by electronic communication shall be cast using a recognized electronic signature or other type of guarantee that the Board of Directors deems best ensures

ensures the authenticity and identification of the shareholder exercising the right to vote.	the authenticity and identification of the shareholder exercising the right to vote.
4. Votes cast by either of the means set forth in the preceding paragraphs must be received by the Company before midnight on the day immediately prior to the date provided for the holding upon first call of the General Shareholders' Meeting. Otherwise, the vote shall be deemed not to have been cast.	4. Votes cast by either of the means set forth in the preceding paragraphs must be received by the Company before midnight on the day immediately prior to the date provided for the holding <del>upon first call</del> of the General Shareholders' Meeting <u>upon first call or upon second call, as applicable</u> . Otherwise, the vote shall be deemed not to have been cast in respect of the call to Meeting regarding which the aforementioned deadline is not met.
5. The Board of Directors is empowered to elaborate upon the foregoing provisions by establishing the rules, means and procedures adjusted to current techniques in order to organize the casting of votes and grant of proxies by electronic means, following the rules and regulations issued for such purpose, if applicable.	5. The Board of Directors is empowered to elaborate upon the foregoing provisions by establishing the rules, means and procedures adjusted to current techniques in order to organize the casting of votes and grant of proxies by electronic means, following the rules and regulations issued for such purpose, if applicable.
Specifically, the Board of Directors may (i) establish rules for the use of guarantees other than electronic signatures for casting electronic votes pursuant to the provisions of paragraph three above, and (ii) reduce the advance period set forth in paragraph four above for receipt by the Company of votes cast by postal or electronic communication.	Specifically, the Board of Directors may (i) establish rules for the use of guarantees other than electronic signatures for casting electronic votes pursuant to the provisions of paragraph three above, and (ii) reduce the advance period set forth in paragraph four above for receipt by the Company of votes cast by postal or electronic communication.
In any event, the Board of Directors shall adopt the measures needed to avoid possible deception and to ensure that the person casting a vote or granting a proxy by postal or electronic communication has the right to do so pursuant to the provisions of Article Twenty-Two of the By-Laws.	In any event, the Board of Directors shall adopt the measures needed to avoid possible deception and to ensure that the person casting a vote or granting a proxy by postal or electronic communication has the right to do so pursuant to the provisions of Article Twenty-Two of the By-Laws <u>and the provisions of the Regulations for the General Shareholders' Meeting</u> .
The implementing rules adopted by the Board of Directors pursuant to the provisions of this sub-section shall be published on the Company's website.	The implementing rules adopted by the Board of Directors pursuant to the provisions of this sub-section shall be published on the Company's website.
6. Shareholders who cast votes from a distance pursuant to the provisions of this Article shall be deemed present for purposes of determining the establishment of a quorum for the General Shareholders' Meeting in question.	<del>6. Shareholders who cast votes from a distance pursuant to the provisions of this Article shall be deemed present for purposes of determining the establishment of a quorum for the General Shareholders' Meeting in question.</del>
7. Personal attendance at the General Shareholders' Meeting by the shareholder or the representative thereof shall have the effect of revoking the vote cast by postal or electronic communication.	<del>6.</del> A vote cast by postal or electronic communication shall be revoked either by physical <del>Personal</del> attendance at the General Shareholders' Meeting <u>or by express revocation thereof by the same means used to cast such vote</u> <del>by the shareholder or the representative thereof shall have the effect of revoking the vote cast by postal or electronic communication.</del>
8. Remote attendance at the General Shareholders' Meeting by means of data transmission and simultaneously and distance electronic voting during the holding of the General Shareholders' Meeting may be admitted if it is so established in the Regulations for the General Shareholders' Meeting, subject to the	<del>7.</del> Remote attendance at the General Shareholders' Meeting by means of data transmission and simultaneously and distance electronic voting during the holding of the General Shareholders' Meeting may be admitted if it is so established in the Regulations for the General Shareholders' Meeting, subject to the requirements set

requirements set forth therein.	forth therein.
<b>Article 34. Powers of the Board of Directors</b>	<b>Article 34. Powers of the Board of Directors</b>
1. The Board of Directors has the power to adopt resolutions regarding all matters not assigned by these By-Laws or the Law to the shareholders acting at the General Shareholders' Meeting.	1. The Board of Directors has the power to adopt resolutions regarding all matters not assigned by these By-Laws or the Law to the shareholders acting at the General Shareholders' Meeting.
2. As a general rule, the Board of Directors, which has the widest powers and authority to manage, direct, administer and represent the Company, shall entrust the day-to-day management of the Company to the representative management decision-making bodies and shall focus its activity on the general duty of supervision and on consideration of those matters which are of particular importance to the Company.	2. As a general rule, the Board of Directors, which has the widest powers and authority to manage, direct, administer and represent the Company, shall entrust the day-to-day management of the Company to the representative management decision-making bodies and shall focus its activity on the general duty of supervision and on consideration of those matters which are of particular importance to the Company.
In particular, the Board of Directors, acting upon its own initiative or at the proposal of the corresponding internal decision-making body, shall deal with the matters set forth below (as an example only):	In particular, the Board of Directors, acting upon its own initiative or at the proposal of the corresponding internal decision-making body, shall deal with the matters set forth below (as an example only):
(a) Draw up the Company's Annual Financial Statements, Management Report and Proposal for the Allocation of Profits or Losses, as well as the consolidated Financial Statements and Management Report and prepare the financial information that the Company must periodically make public due to its status as listed company.	(a) Draw up the Company's Annual Financial Statements, Management Report and Proposal for the Allocation of Profits or Losses, as well as the consolidated Financial Statements and Management Report and prepare the financial information that the Company must periodically make public due to its status as listed company.
(b) Designate Directors to fill vacancies by interim appointment and propose to the shareholders the appointment, ratification, re-election or removal of Directors.	(b) Designate Directors to fill vacancies by interim appointment and propose to the shareholders the appointment, ratification, re-election or removal of Directors.
(c) Designate and renew internal positions within the Board of Directors and the members of and positions on the Committees established within the Board.	(c) Designate and renew internal positions within the Board of Directors and the members of and positions on the Committees established within the Board.
(d) Set, pursuant to these By-Laws, the compensation policy and the compensation of Directors, after a report of the Nominating and Compensation Committee.	(d) Set, pursuant to these By-Laws, the compensation policy and the compensation of Directors, <del>after a report</del> <u>at the proposal</u> of the Nominating and Compensation Committee.
(e) Approve the appointment and removal of senior managers of the Company, as well as set the compensations or indemnifications, if any, payable to them in the event of removal, all at the proposal of the Chief Executive Officer, if any, and with the report of the Nominating and Compensation Committee.	(e) Approve the appointment and removal of senior managers of the Company, as well as set the compensations or indemnifications, if any, payable to them in the event of removal, all at the proposal of the Chief Executive Officer, if any, and with the report of the Nominating and Compensation Committee.
(f) Approve the compensation policy as well as the basic terms and conditions of the contracts with the Company's senior managers, based on the proposal of the Chief Executive Officer, if any, which shall be submitted to the Board by the Nominating and Compensation Committee.	(f) Approve the compensation policy as well as the basic terms and conditions of the contracts with the Company's senior managers, based on the proposal of the Chief Executive Officer, if any, which shall be submitted to the Board by the Nominating and Compensation Committee.

(g) Prepare the dividend policy and submit the corresponding proposed resolutions on the allocation of profits or losses to the shareholders at the General Shareholders' Meeting, as well as decide upon the payment of interim dividends.	(g) Prepare the dividend policy and submit the corresponding proposed resolutions on the allocation of profits or losses to the shareholders at the General Shareholders' Meeting, as well as decide upon the payment of interim dividends.
(h) Decide upon proposals submitted to it by the Executive Committee, the Chief Executive Officer or the Committees of the Board of Directors.	(h) Decide upon proposals submitted to it by the Executive Committee, the Chief Executive Officer or the Committees of the Board of Directors.
(i) Declare its position regarding all tender offers for the Company's securities.	(i) Declare its position regarding all tender offers for the Company's securities.
(j) Submit to the shareholders acting at the General Shareholders' Meeting the proposed amendments to the Regulations for the General Shareholders' Meeting that it deems appropriate in order to improve the operation thereof and the exercise of shareholder rights.	(j) Submit to the shareholders acting at the General Shareholders' Meeting the proposed amendments to the Regulations for the General Shareholders' Meeting that it deems appropriate in order to improve the operation thereof and the exercise of shareholder rights.
(k) Approve and amend, pursuant to the provisions thereof, the Regulations of the Board of Directors governing its internal organization and operation.	(k) Approve and amend, pursuant to the provisions thereof, the Regulations of the Board of Directors governing its internal organization and operation.
(l) Prepare the annual corporate governance report.	(l) Prepare the annual corporate governance report.
(m) Call the General Shareholders' Meeting.	(m) Call the General Shareholders' Meeting.
(n) Carry out resolutions approved by the shareholders at a General Shareholders' Meeting and perform any duties that the shareholders have assigned to it.	(n) Carry out resolutions approved by the shareholders at a General Shareholders' Meeting and perform any duties that the shareholders have assigned to it.
(o) Define the structure of general powers of the Company to be granted by the Board itself or by the representative management decision-making bodies mentioned in the first paragraph of subsection two of this Article.	(o) Define the structure of general powers of the Company to be granted by the Board itself or by the representative management decision-making bodies mentioned in the first paragraph of subsection two of this Article.
(p) Make decisions regarding any other matter within its authority which, in the judgment of the Board of Directors, is deemed to be in the interests of the Company, or which the Regulations of the Board of Directors reserve to the Board as a whole.	(p) Make decisions regarding any other matter within its authority which, in the judgment of the Board of Directors, is deemed to be in the interests of the Company, or which the Regulations of the Board of Directors reserve to the Board as a whole.
3. The Board of Directors, within the scope of its authority relating to the general duty of supervision, acting on its own initiative or at the proposal of the appropriate internal decision-making body, shall also deal with the matters set forth below (as an example only):	3. The Board of Directors, within the scope of its authority relating to the general duty of supervision, acting on its own initiative or at the proposal of the appropriate internal decision-making body, shall also deal with the matters set forth below (as an example only):
(a) Prepare the Company's strategy and general lines of policy, draft programs and state objectives in order to carry out all business activities included in the corporate purpose. Specifically, the Board of Directors shall approve: (i) the annual budget; (ii) the investment and financing policy; (iii) the definition of the structure of the Iberdrola Group	(a) Prepare the Company's strategy and general lines of policy, draft programs and state objectives in order to carry out all business activities included in the corporate purpose. Specifically, the Board of Directors shall approve: (i) the annual budget; (ii) the investment and financing policy; (iii) the definition of the structure of the Iberdrola Group and the coordination, within legal limits, of the

and the coordination, within legal limits, of the overall strategy of such Group in the interests of the Company and of the companies belonging thereto; (iv) the corporate governance policy; (v) the corporate social responsibility policy and (vi) the policy to be adopted by the Company in connection with treasury stock and, especially, the limits thereto.	overall strategy of such Group in the interests of the Company and of the companies belonging thereto; (iv) the corporate governance policy; (v) the corporate social responsibility policy and (vi) the policy to be adopted by the Company in connection with treasury stock and, especially, the limits thereto.
(b) Promote and supervise the management of the Company, as well as the fulfillment of established objectives.	(b) Promote and supervise the management of the Company, as well as the fulfillment of established objectives.
(c) Establish the risk control and management policy, identify the principal risks to the Company and organize appropriate internal monitoring and information systems, as well as carry out a periodic monitoring of such systems.	(c) Establish the risk control and management policy, identify the principal risks to the Company and organize appropriate internal monitoring and information systems, as well as carry out a periodic monitoring of such systems.
(d) Set the foundations of the corporate organization in order to ensure the greatest efficiency thereof and effective supervision by the Board of Directors.	(d) Set the foundations of the corporate organization in order to ensure the greatest efficiency thereof and effective supervision by the Board of Directors.
(e) Set policy regarding the provision of information to shareholders and to the markets in general under the standards of transparency and truthfulness of the information.	(e) Set policy regarding the provision of information to shareholders and to the markets in general under the standards of transparency and truthfulness of the information.
<b>Article 36. Composition and Appointment of the Board of Directors</b>	<b>Article 36. Composition and Appointment of the Board of Directors</b>
1. The Board of Directors shall be composed of a minimum of nine (9) Directors and a maximum of twenty-one (21), who shall be appointed at the General Shareholders' Meeting, subject to applicable legal provisions. The determination of the number of Directors shall be the purview of the shareholders acting at the General Shareholders' Meeting, for which purpose the shareholders may establish such number either by express resolution or indirectly, through the filling or non-filling of vacancies or the appointment or non-appointment of new Directors within the minimum and maximum numbers mentioned above. Notwithstanding the foregoing, the Board of Directors shall propose to the shareholders at the General Shareholders' Meeting the number of Directors that, according to the circumstances affecting the Company and taking into account the maximum and minimum numbers referred to above, best suits the Good Governance recommendations with a view to ensuring the proper representation and effective operation of the Board.	1. The Board of Directors shall be composed of a minimum of nine (9) Directors and a maximum of <del>twenty-one</del> <sup>twenty</sup> <del>fifteen</del> (15 <sup>24</sup> ), who shall be appointed or ratified at the General Shareholders' Meeting, subject to applicable legal provisions. The determination of the number of Directors shall be the purview of the shareholders acting at the General Shareholders' Meeting, for which purpose the shareholders may establish such number either by express resolution or indirectly, through the filling or non-filling of vacancies or the appointment or non-appointment of new Directors within the minimum and maximum numbers mentioned above. Notwithstanding the foregoing, the Board of Directors shall propose to the shareholders at the General Shareholders' Meeting the number of Directors that, according to the circumstances affecting the Company and taking into account the maximum and minimum numbers referred to above, best suits the Good Governance recommendations with a view to ensuring the proper representation and effective operation of the Board.
The foregoing shall be deemed to be without prejudice to the right of proportional representation to which the shareholders are entitled under the provisions of the Companies Law.	The foregoing shall be deemed to be without prejudice to the right of proportional representation to which the shareholders are entitled under the provisions of the Companies Law.

2. The following may not be appointed as Directors:	2. The following may not be appointed as Directors:
1. Domestic or foreign companies competing with the Company in the energy industry, or the directors or senior managers thereof.	(a) Domestic or foreign companies competing with the Company in the energy <u>or other industries</u> industry, or the directors or senior managers thereof, <u>or the persons, if any, who are proposed by such companies in their capacity as shareholders</u> .
2. Persons holding the position of director in more than four (4) companies with shares trading on domestic or foreign securities exchanges.	(b) Persons holding the position of director in more than four (4) companies with shares trading on domestic or foreign securities exchanges.
3. Persons who, during the two (2) years prior to their appointment, have occupied high-level positions in the government which are incompatible with the simultaneous performance of the duties of a director of a listed company under national or autonomous community legislation, or positions of responsibility with entities regulating the energy industry, the securities markets or other industries in which the Company operates.	(c) Persons who, during the two (2) years prior to their appointment, have occupied high-level positions in the government which are incompatible with the simultaneous performance of the duties of a director of a listed company under national or autonomous community legislation, or positions of responsibility with entities regulating the energy industry, the securities markets or other industries in which the Company operates.
4. Persons who are under any other circumstance of incompatibility or prohibition governed by provisions of a general nature.	(d) Persons who are under any other circumstance of incompatibility or prohibition governed by provisions of a general nature, <u>including those who have, in any manner, interests opposed to those of the Company</u> .
<b>Article 37. Types of Directors</b>	<b>Article 37. Types of Directors</b>
1. The following shall be deemed:	1. The following shall be deemed:
1. Executive Directors: those Directors who perform senior management duties or are employees of the Company or of its Group.	(a) Executive Directors: those Directors who perform senior management duties or are employees of the Company or of its Group.
2. External Proprietary Directors (representing a major shareholder): those Directors: (i) who own a shareholding interest that is greater than or equal to five (5%) percent of the share capital or who have been appointed owing to their status as shareholders, although their shareholding interest does not reach such amount; or (ii) whose appointment has been proposed to the Company by shareholders of the type described in the preceding letter (i).	(b) External Proprietary Directors (representing a major shareholder): those Directors: (i) who own a shareholding interest that is greater than or equal to <u>that legally regarded as significant at any time</u> <del>five (5%) percent of the share capital</del> or who have been appointed owing to their status as shareholders, although their shareholding interest does not reach such amount; or (ii) whose appointment has been proposed to the Company by shareholders of the type described in the preceding letter (i).
3. External Independent Directors: those Directors who, having been appointed because of their personal and professional qualities, may carry out their duties without being conditioned by relationships with the Company, its significant shareholders or its managers.	(c) External Independent Directors: those Directors who, having been appointed because of their personal and professional qualities, may carry out their duties without being conditioned by relationships with the Company, its significant shareholders or its managers.
4. Other External Directors: those external Directors who do not have status as proprietary or independent directors.	(d) Other External Directors: those external Directors who do not have status as proprietary or independent directors.

The Regulations of the Board of Directors may further elaborate upon and develop these concepts.	The Regulations of the Board of Directors may further elaborate upon and develop these concepts.
2. The Board of Directors shall be composed such that the external or non-executive Directors, with the presence of the independent Directors, represent a majority over the executive Directors. This is a mandatory instruction for the Board of Directors itself, which must follow it in the exercise of its powers to propose appointments of Directors to the shareholders and to make interim appointments of Directors to cover vacancies, and merely constitutes guidance for the shareholders.	2. The Board of Directors shall be composed such that the external or non-executive Directors, with the presence of the independent Directors, represent a majority over the executive Directors. This is a mandatory instruction for the Board of Directors itself, which must follow it in the exercise of its powers to propose appointments of Directors to the shareholders and to make interim appointments of Directors to cover vacancies, and merely constitutes guidance for the shareholders.
3. The status of each Director shall be explained by the Board to the shareholders at the General Shareholders' Meeting at which the appointment thereof must be made or ratified, and shall be confirmed or, if applicable, revised annually in the annual corporate governance report after verification by the Nominating and Compensation Committee.	3. The status of each Director shall be explained by the Board to the shareholders at the General Shareholders' Meeting at which the appointment thereof must be made or ratified, and shall be confirmed or, if applicable, revised annually in the annual corporate governance report after verification by the Nominating and Compensation Committee.
<b>Article 38. Designation of Positions</b>	<b>Article 38. Designation of Positions</b>
1. The Board of Directors shall elect from among its members a Chairman and, if it so decides, one or more Vice-Chairmen, at the proposal of the Chairman. The Board of Directors may also appoint one or more Honorary Chairmen of the Company.	1. The Board of Directors shall elect from among its members, <u>after a report of the Nominating and Compensation Committee</u> , a Chairman and, if it so decides, one or more Vice-Chairmen, at the proposal of the Chairman. The Board of Directors may also appoint one or more Honorary Chairmen of the Company.
2. At the proposal of the Chairman and after a report of the Nominating and Compensation Committee, the Board of Directors shall appoint a Secretary and, if applicable, a Vice-Secretary, who need not be Directors. In the absence of the Secretary and the Vice-Secretary, the Director appointed by the Board of Directors from among those attending the meeting in question shall act as such.	2. At the proposal of the Chairman and after a report of the Nominating and Compensation Committee, the Board of Directors shall appoint a Secretary and, if applicable, a Vice-Secretary, who need not be Directors. In the absence of the Secretary and the Vice-Secretary, the Director appointed by the Board of Directors from among those attending the meeting in question shall act as such.
In addition, the Board of Directors shall appoint a Corporate Counsel if such position is required under applicable law. The Secretary or the Vice-Secretary, if any, may perform the duties of Corporate Counsel if they are attorneys-at-law and satisfy the other requirements established by applicable law and it is so determined by the Board of Directors.	In addition, the Board of Directors shall appoint a Corporate Counsel if such position is required under applicable law. The Secretary or the Vice-Secretary, if any, may perform the duties of Corporate Counsel if they are attorneys-at-law and satisfy the other requirements established by applicable law and it is so determined by the Board of Directors.
3. The Chairman, Vice-Chairmen and, if applicable, the Secretary and Vice-Secretary of the Board of Directors who are re-elected as members of the Board of Directors by the shareholders, shall continue to perform the duties they previously carried out within the Board of Directors, without the need for a new election and without prejudice to the Board of Directors' power of revocation with respect to such positions.	3. The Chairman, Vice-Chairmen and, if applicable, the Secretary and Vice-Secretary of the Board of Directors who are re-elected as members of the Board of Directors by the shareholders, shall continue to perform the duties they previously carried out within the Board of Directors, without the need for a new election and without prejudice to the Board of Directors' power of revocation with respect to such positions.
<b>Article 45. Nominating and Compensation Committee</b>	<b>Article 45. Nominating and Compensation Committee</b>
1. The Board of Directors shall create a permanent Nominating and Compensation Committee, which shall	1. The Board of Directors shall create a permanent Nominating and Compensation Committee, which shall

<p>be an internal informational and consultative body without executive powers, and which shall have the information, advisory and proposal-making powers within its scope of action as set forth in paragraph two of this Article. The Nominating and Compensation Committee shall be composed of a minimum of three (3) Directors and a maximum of five (5), appointed by the Board of Directors from among the external Directors. The Board of Directors shall also appoint the Chairman thereof from among the Directors sitting on such Committee, as well as its Secretary, who need not be a Director.</p>	<p>be an internal informational and consultative body without executive powers, and which shall have the information, advisory and proposal-making powers within its scope of action as set forth in paragraph two of this Article. The Nominating and Compensation Committee shall be composed of a minimum of three (3) Directors and a maximum of five (5), appointed by the Board of Directors from among the external Directors. The Board of Directors shall also appoint the Chairman thereof from among the Directors sitting on such Committee, as well as its Secretary, who need not be a Director.</p>
<p>Unless otherwise decided by the Board of Directors, the Directors sitting on the Nominating and Compensation Committee shall hold their positions for so long as they remain Directors of the Company. Renewal and re-election to and removal from office of the Directors sitting on the Committee shall be governed by resolution of the Board of Directors.</p>	<p>Unless otherwise decided by the Board of Directors, the Directors sitting on the Nominating and Compensation Committee shall hold their positions for so long as they remain Directors of the Company <u>and so long as they continue to be external Directors</u>. Renewal and re-election to and removal from office of the Directors sitting on the Committee shall be governed by resolution of the Board of Directors.</p>
<p>2. The Nominating and Compensation Committee shall have the power to supervise the procedure for selecting members of the Board of Directors and senior managers of the Company (the latter at the proposal of the Chief Executive Officer, if any), as well as to assist the Board of Directors in the determination and supervision of the compensation policy for such persons.</p>	<p>2. The Nominating and Compensation Committee shall have the power to supervise the procedure for selecting members of the Board of Directors and senior managers of the Company (the latter at the proposal of the Chief Executive Officer, if any), as well as to assist the Board of Directors in the determination and supervision of the compensation policy for such persons.</p>
<p>In particular, the Nominating and Compensation Committee shall have the power to:</p>	<p>In particular, the Nominating and Compensation Committee shall have the power to:</p>
<p>(a) Report on and review the criteria that should be followed in composing the Board of Directors and in selecting candidates, defining their duties and necessary qualifications and assessing the time and dedication required for the proper performance of their duties.</p>	<p>(a) Report on and review the criteria that should be followed in composing the Board of Directors and in selecting candidates, defining their duties and necessary qualifications and assessing the time and dedication required for the proper performance of their duties.</p>
<p>(b) Bring Director designation proposals to the Board of Directors for the interim appointment thereof to fill a vacancy or, as the case may be, for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal of Directors by the shareholders at the General Shareholders' Meeting.</p>	<p>(b) Bring <del>Director designation proposals</del> to the Board of Directors <u>proposals for designation of independent Directors</u> for the interim appointment thereof to fill a vacancy or, as the case may be, for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal of <u>such</u> Directors by the shareholders at the General Shareholders' Meeting.</p> <p><u>Report on the proposals made by the Board of Directors for designation of the other Directors for the interim appointment thereof to fill a vacancy or, as the case may be, for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as on proposals for re-election or withdrawal of such Directors by the shareholders at the General</u></p>



	<u>Shareholders' Meeting.</u>
(c) Propose to the Board of Directors the members who should make up each of the Committees.	(c) <u>Report on proposed appointments to internal positions within the Board of Directors and propose</u> Propose to the Board of Directors the members who should make up each of the Committees.
(d) Propose to the Board of Directors the system and amount of annual Director compensation, as well as the individual compensation of executive Directors and other terms and conditions of their contracts, in all cases pursuant to the provisions of these By-Laws.	(d) Propose to the Board of Directors the system and amount of annual Director compensation, as well as the individual compensation of executive Directors and other terms and conditions of their contracts, in all cases pursuant to the provisions of these By-Laws.
(e) Report to the Board of Directors regarding the appointment and/or removal of senior managers of the Company, as well as regarding the compensations or indemnifications, if any, that may be established in the event of removal of such senior managers, all at the proposal of the Chief Executive Officer, if any.	(e) Report to the Board of Directors regarding the appointment and/or removal of senior managers of the Company, as well as regarding the compensations or indemnifications, if any, that may be established in the event of removal of such senior managers, all at the proposal of the Chief Executive Officer, if any.
(f) Submit to the Board of Directors, together with the corresponding reports, the proposals brought to it by the Chief Executive Officer, if any, regarding the compensation policy applicable to senior managers and the basic terms and conditions of their contracts.	(f) Submit to the Board of Directors, together with the corresponding reports, the proposals brought to it by the Chief Executive Officer, if any, regarding the compensation policy applicable to senior managers and the basic terms and conditions of their contracts.
(g) Report on incentive plans and pension supplements.	(g) Report on incentive plans and pension supplements.
(h) Periodically review the compensation programs, evaluating the adequacy and results thereof.	(h) Periodically review the compensation programs, evaluating the adequacy and results thereof.
(i) Exercise such other powers, if any, as are assigned to it by these By-Laws, the Regulations of the Board of Directors or the Board of Directors.	(i) Exercise such other powers, if any, as are assigned to it by these By-Laws, the Regulations of the Board of Directors or the Board of Directors.
3. For purposes of the operation of the Committee, it shall meet as many times as needed, in the opinion of its Chairman, to fulfill its obligations, and at a minimum once each quarter or when so requested by at least one-half of the Directors sitting on the Committee.	3. For purposes of the operation of the Committee, it shall meet as many times as needed, in the opinion of its Chairman, to fulfill its obligations, and at a minimum once each quarter or when so requested by at least one-half of the Directors sitting on the Committee.
The Committee shall validly meet when one-half plus one of the Directors sitting on the Committee are present in person or by proxy, and shall adopt its resolutions by majority of votes. In the case of a tie, the Chairman shall have the tie-breaking vote.	The Committee shall validly meet when one-half plus one of the Directors sitting on the Committee are present in person or by proxy, and shall adopt its resolutions by majority of votes. In the case of a tie, the Chairman shall have the tie-breaking vote.
4. The foregoing rules shall be developed by the Board of Directors into corresponding Regulations of the Committee.	4. The foregoing rules shall be developed by the Board of Directors into corresponding Regulations of the Committee.
<b>Article 46. Chairman and Vice-Chairman or Vice-Chairmen</b>	<b>Article 46. Chairman and Vice-Chairman or Vice-Chairmen</b>
1. The Chairman of the Board of Directors shall be considered the President of the Company and of all of	1. The Chairman of the Board of Directors shall be considered the President of the Company and of all of

the decision-making bodies of which the Chairman is a member, which he shall permanently represent with the broadest powers, being authorized in urgent cases to adopt such measures as the Chairman deems advisable in the interests of the Company.	the decision-making bodies of which the Chairman is a member, which he shall permanently represent with the broadest powers, being authorized in urgent cases to adopt such measures as the Chairman deems advisable in the interests of the Company.
2. The Chairman, who holds the senior management of the Company and is the representative thereof, shall exercise the following powers in addition to the powers conferred by these By-Laws and the Law:	2. The Chairman, who holds the senior management of the Company and is the representative thereof, shall exercise the following powers in addition to the powers conferred by these By-Laws and the Law:
(a) To call and preside over meetings of the Board of Directors and the Executive Committee in the manner established by these By-Laws, setting the agenda for meetings and directing discussion and debate.	(a) To call and preside over meetings of the Board of Directors and the Executive Committee in the manner established by these By-Laws, setting the agenda for meetings and directing discussion and debate.
(b) To preside over the General Shareholders' Meeting and direct the discussion and debate therein.	(b) To preside over the General Shareholders' Meeting and direct the discussion and debate therein.
(c) To bring to the Board of Directors those proposals which the Chairman deems appropriate for the efficient running of the Company, particularly those corresponding to the operation of the Board of Directors itself and other corporate decision-making bodies, as well as proposing the appointment of internal positions within the Board of Directors.	(c) To bring to the Board of Directors those proposals which the Chairman deems appropriate for the efficient running of the Company, particularly those corresponding to the operation of the Board of Directors itself and other corporate decision-making bodies, as well as proposing the appointment of internal positions within the Board of Directors.
(d) To represent the Company before public entities and any industry or employers' bodies.	(d) To represent the Company before public entities and any industry or employers' bodies.
3. In the event of the absence, sickness or disability of the Chairman of the Board of Directors, the Chairman shall be replaced by the Vice-Chairman, if any; if there are several, the person replacing the Chairman shall be the Vice-Chairman that is expressly appointed by the Chairman; in default of the foregoing, the Vice-Chairman having the longest length of service and, if equal lengths of service, the oldest; and if there is no Vice-Chairman, the longest-serving Director and, in case of equal lengths of service, the oldest.	3. In the event of the absence, sickness or disability of the Chairman of the Board of Directors, the Chairman shall be replaced by the Vice-Chairman, if any; if there are several, the person replacing the Chairman shall be the Vice-Chairman that is expressly appointed by the <del>Chairman</del> <u>Board</u> ; in default of the foregoing, the Vice-Chairman having the longest length of service and, if equal lengths of service, the oldest; and if there is no Vice-Chairman, the longest-serving Director and, in case of equal lengths of service, the oldest.
<b>Article 47. Chief Executive Officer</b>	<b>Article 47. Chief Executive Officer</b>
1. The Board of Directors, at the proposal of the Chairman and with the favorable vote of two-thirds of the Directors, may appoint a Chief Executive Officer from among the Directors, with the powers it deems appropriate and which may be delegated pursuant to these By-Laws and the Law.	1. The Board of Directors, at the proposal of the Chairman, <u>after a report of the Nominating and Compensation Committee</u> and with the favorable vote of two-thirds of the Directors, may appoint a Chief Executive Officer from among the Directors, with the powers it deems appropriate and which may be delegated pursuant to these By-Laws and the Law.
2. The Chief Executive Officer may propose to the Board of Directors, for its approval after a report of the Nominating and Compensation Committee, the definition and reorganization of the Company's organizational structure, the appointment and removal of senior managers, and the compensations or indemnifications, if any, payable thereto in the event of	2. The Chief Executive Officer <del>shall</del> <u>may</u> propose to the Board of Directors, for its approval after a report of the Nominating and Compensation Committee, the definition and reorganization of the Company's organizational structure, the appointment and removal of senior managers, and the compensations or indemnifications, if any, payable thereto in the event of

removal. In addition, the Chief Executive Officer may propose to the Nominating and Compensation Committee, for submission by it to the Board of Directors, the compensation policy as well as the basic terms and conditions of the contracts with the senior managers of the Company.	removal. In addition, the Chief Executive Officer <del>may</del> <u>shall</u> propose to the Nominating and Compensation Committee, for submission by it to the Board of Directors, the compensation policy as well as the basic terms and conditions of the contracts with the senior managers of the Company.
<b>Article 49. Terms of Office and Filling of Vacancies</b>	<b>Article 49. Terms of Office and Filling of Vacancies</b>
1. The Directors shall serve in their position for a term of five (5) years, so long as the shareholders acting at the General Shareholders' Meeting do not resolve to remove or dismiss them and they do not resign from their position. In particular, the Directors must submit their resignation from the position and formalize their withdrawal upon the occurrence of any of the instances of incompatibility or prohibition against performing the duties of director provided by Law, as well as the events in which the Regulations of the Board of Directors so provide.	1. The Directors shall serve in their position for a term of five (5) years, so long as the shareholders acting at the General Shareholders' Meeting do not resolve to remove or dismiss them and they do not resign from their position. In particular, the Directors must submit their resignation from the position and formalize their withdrawal upon the occurrence of any of the instances of incompatibility, <u>lack of competence</u> or prohibition against performing the duties of director provided by Law, <del>as well as the events in which</del> <u>the By-Laws or the Regulations of the Board of Directors</u> <del>so provide</del> .
2. Directors may be re-elected to one or more terms of five (5) years.	2. Directors may be re-elected to one or more terms of five (5) years.
3. Vacancies which occur may, pursuant to Law, be filled by the Board of Directors on an interim basis until the next General Shareholders' Meeting, whereat the shareholders shall confirm the appointments or elect the persons who should replace Directors which are not ratified, or it shall withdraw the vacant positions.	3. Vacancies which occur may, pursuant to Law, be filled by the Board of Directors on an interim basis until the next General Shareholders' Meeting, whereat the shareholders shall confirm the appointments or elect the persons who should replace Directors which are not ratified, or it shall withdraw the vacant positions.
<b>Article 57. Fiscal Year and Drawing-up of Annual Financial Statements</b>	<b>Article 57. Fiscal Year and Drawing-up of Annual Financial Statements</b>
1. The fiscal year shall commence on January 1 of each year and shall end on December 31.	1. The fiscal year shall commence on January 1 of each year and shall end on December 31.
2. The Annual Financial Statements (consisting of the Balance Sheet, the Profit and Loss Statement and the Notes to the Financial Statements) and the Management Report shall be prepared in compliance with the structure, principles and guidelines contained in current applicable provisions.	2. The Annual Financial Statements ( <del>consisting of the Balance Sheet, the Profit and Loss Statement and the Notes to the Financial Statements</del> ) and the Management Report shall be prepared in compliance with the structure, principles and guidelines contained in current applicable provisions.
3. Within the first three (3) months of the year, the Board of Directors shall draw up the Annual Financial Statements, the Management Report and the Proposed Allocation of Profits or Losses and, if applicable, the consolidated Financial Statements and Management Report. The Annual Financial Statements and the Management Report must be signed by all the Directors. If the signature of any of them is missing, an indication of such circumstance shall be inserted into each of the documents where it is so missing, with express reference to the reason therefor.	3. Within the first three (3) months of the year, the Board of Directors shall draw up the Annual Financial Statements, the Management Report and the Proposed Allocation of Profits or Losses and, if applicable, the consolidated Financial Statements and Management Report. The Annual Financial Statements and the Management Report must be signed by all the Directors. If the signature of any of them is missing, an indication of such circumstance shall be inserted into each of the documents where it is so missing, with express reference to the reason therefor.
<b>Article 58. Auditors</b>	<b>Article 58. Auditors</b>
1. The Annual Financial Statements and the Management Report of the Company, as well as the consolidated Annual Financial Statements and Management Report,	1. The Annual Financial Statements and the Management Report of the Company, as well as the consolidated Annual Financial Statements and Management Report,

must be reviewed by Auditors.	must be reviewed by Auditors.
2. The Auditors shall be appointed by the shareholders acting at a General Shareholders' Meeting prior to the end of the fiscal year to be audited, for a fixed initial period that shall not be less than three (3) years nor greater than nine (9), to be counted from the date of commencement of the first fiscal year to be audited; the Auditors may be re-elected annually by the shareholders once the initial period has expired.	2. The Auditors shall be appointed by the shareholders acting at a General Shareholders' Meeting prior to the end of the fiscal year to be audited, for a fixed initial period that shall not be less than three (3) years nor greater than nine (9), to be counted from the date of commencement of the first fiscal year to be audited; the Auditors may be re-elected <del>annually</del> by the shareholders, <u>upon the terms provided for by Law</u> , once the initial period has expired.
3. The Auditors shall prepare a detailed report on the results of their actions pursuant to the legal provisions governing the Auditing of Financial Statements.	3. The Auditors shall prepare a detailed report on the results of their actions pursuant to the legal provisions governing the Auditing of Financial Statements.